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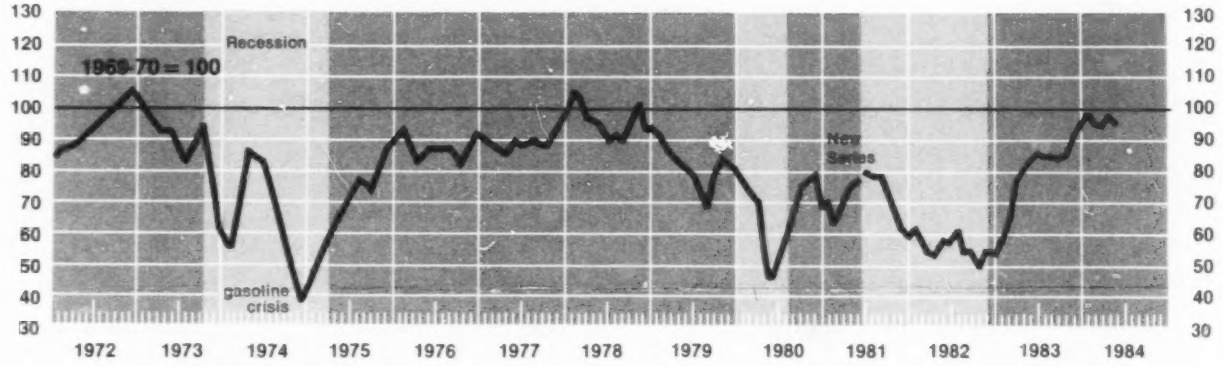
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

June, 1984



CONSUMERS LESS CONFIDENT, BUT PLANS TO BUY STEADY

The Consumer Confidence Index (1969 – 1970 = 100) declined in May, following a small gain in the preceding month. The current index reading is 95.2, a loss of 2.7 points for the month. The measure of Confidence registered losses in February and March, but recorded a small gain in April. The Buying Plans Index now stands at 100.9, up slightly from the preceding month.

Consumers continue to regard present conditions favorably, or at least with the same degree of approval as last time. However, on questions concerning their expectations for the next six months, consumers are distinctly less optimistic than they were a month ago. The proportion of those who anticipate an improvement in business conditions dropped to 22.2% of all those surveyed, a loss of more than 5 points, while the number who anticipate an improvement in the employment situation declined to 18%—about 2 points lower than the preceding survey results.

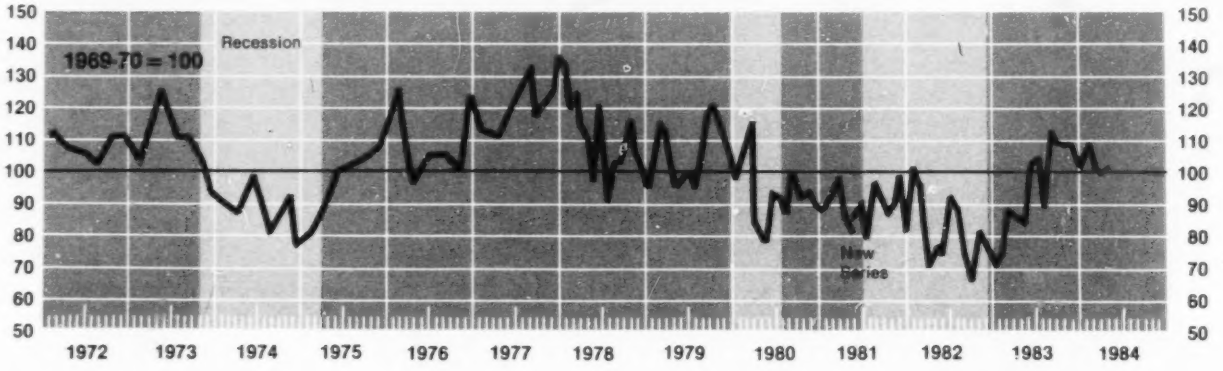
Fewer consumers now expect their personal economic situation to improve in the months ahead. Specifically, 26.7% of all respondents—a loss of nearly 4 percent—expect their incomes to increase.

The total expectational segment of the Confidence Index dropped to a reading of 109.4, a loss of 5 points for the month. This series has an impressive record of foreshadowing the economic trend. The level of consumer expectations was down in both February and March but registered a small gain in April. Recent economic statistics suggest that the economy made up some of the weather-induced losses in activity experienced in March.

The decline in consumer expectations in May, then, is a continuation of a trend that began in February. The recent survey readings suggest that economic growth in the second quarter will be more subdued than the disconcertingly rapid pace of the initial 3 months, but will still be quite sturdy. Based on the past history of the survey, the current level of consumer expectations suggests an annual rate of economic expansion in the second quarter of about 5 percent. Although this would represent a salutary quieting of the pace of the recovery, it is still a very substantial rate of economic activity.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1983 May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1984 Jan.	Feb.	Mar.	Apr. (r)	May(p)
Composite Series: Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	84.0	84.9	84.7	84.6	84.8	85.7	90.2	95.1	98.4	95.7	94.5	97.9	95.2
Present Situation	28.2	32.8	37.2	39.3	43.1	44.0	51.1	57.9	63.2	67.2	69.0	73.1	73.9
Expectations	121.2	119.6	116.3	114.8	112.6	113.5	116.2	119.9	121.9	114.6	111.5	114.4	109.4
Buying Plans Index	85.2	103.6	100.5	89.9	113.5	109.9	108.9	108.5	101.4	108.0	103.9	99.4	100.9
Appraisal of Present Situation: Percent													
Business Conditions													
Good	13.5	15.0	15.9	16.5	18.3	19.4	20.2	23.9	24.7	25.5	25.4	26.9	26.4
Bad	38.7	36.9	32.2	33.5	31.0	30.8	27.5	23.9	21.8	23.0	20.4	19.9	20.1
Normal	47.8	48.1	50.9	50.0	50.7	49.8	52.3	52.2	53.5	51.5	54.2	53.2	53.5
Employment													
Jobs plentiful	4.6	5.9	6.8	7.4	7.7	7.4	9.5	9.8	11.4	14.0	13.1	15.3	15.4
Jobs not so plentiful	44.1	45.5	45.9	48.6	48.5	49.3	50.4	51.2	50.4	49.6	51.9	48.9	50.9
Jobs hard to get	51.3	48.6	47.3	44.0	43.8	43.3	40.1	39.0	38.2	36.4	35.0	35.8	33.7
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	39.1	37.6	36.6	32.7	30.1	30.1	31.2	32.8	33.1	28.7	26.4	27.4	22.2
Worse	4.8	5.3	6.6	6.6	6.8	6.7	6.1	5.2	3.9	5.8	6.1	5.8	6.4
Same	56.1	57.1	56.8	60.7	63.1	63.2	62.7	62.0	63.0	65.5	67.5	66.8	71.4
Employment													
More jobs	30.8	29.7	28.9	26.6	24.5	24.8	25.6	25.9	25.7	21.4	20.6	20.2	18.0
Fewer jobs	10.1	11.0	13.0	12.1	13.1	13.8	11.9	10.6	10.6	11.9	12.1	11.4	12.0
Same	59.1	59.3	58.1	61.3	62.4	61.4	62.5	63.5	63.7	66.7	67.3	68.4	70.0
Income													
Increase	25.9	26.0	28.7	26.0	28.3	31.1	28.3	31.1	32.4	27.3	26.1	30.6	26.7
Decrease	9.6	8.9	8.9	8.8	8.6	7.6	7.8	7.7	7.3	6.3	7.2	6.8	6.0
Same	64.5	65.1	62.4	65.2	63.1	61.3	63.9	61.2	60.3	66.4	66.7	62.6	67.3
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.0	8.4	7.8	7.2	9.1	9.0	9.3	8.7	8.4	8.8	8.8	8.5	8.1
New	3.6	4.7	4.1	3.4	5.1	5.3	5.1	4.9	5.1	4.9	4.7	3.9	4.1
Used	2.1	2.2	2.7	2.4	3.6	3.3	3.4	3.3	2.5	3.4	3.0	3.0	3.2
Uncertain	0.3	1.5	1.0	1.4	0.4	0.4	0.8	0.5	0.8	0.5	1.1	1.6	0.8
Home													
Yes	2.8	3.4	3.3	3.0	3.8	3.6	3.6	3.6	3.4	3.8	3.3	3.1	3.4
New	0.8	1.0	1.1	0.8	1.3	1.0	1.2	1.2	1.0	0.9	0.8	0.9	1.0
Lived in	1.3	1.7	1.3	1.5	1.7	1.9	1.6	1.5	1.4	2.0	1.6	1.4	1.7
Uncertain	0.7	0.7	0.9	0.7	0.8	0.7	0.8	0.9	1.0	0.9	0.9	0.8	0.7
Major appliances													
Total plans	25.5	27.7	29.2	23.8	30.6	29.2	26.5	29.8	26.7	27.3	27.4	26.9	26.0
Refrigerator	3.8	3.3	4.7	3.4	4.1	3.4	3.5	3.7	3.2	3.6	3.6	3.7	3.9
Washing machine	3.2	4.3	3.5	2.7	4.0	3.3	3.6	3.6	3.4	4.0	3.8	3.2	3.4
Black and white TV	1.0	0.7	0.7	0.9	1.1	1.0	0.7	1.2	0.9	0.8	0.9	1.1	0.9
Color TV	7.4	8.1	7.6	6.1	8.2	8.0	7.5	8.2	7.8	7.0	7.5	7.7	6.8
Vacuum Cleaner	3.9	4.6	5.0	4.1	5.2	5.6	4.4	5.2	4.1	4.8	4.1	4.8	3.9
Range	2.2	2.6	2.8	2.3	2.6	2.6	2.4	2.7	2.6	2.6	2.9	2.3	2.3
Clothes dryer	2.8	2.8	3.4	2.8	3.1	3.1	2.7	3.3	2.8	2.9	2.6	2.7	2.8
Air conditioner	1.2	1.3	1.5	1.5	2.3	2.2	1.7	1.9	1.9	1.6	2.0	1.4	2.0
Carpet	6.9	7.3	6.7	6.9	8.2	7.1	8.1	7.4	6.5	7.3	7.2	5.9	6.9

	Vacation Intended Within Six Months: Percent												
Vacation Intended		48.1			47.2			49.8			48.5		
Destination													
Home state		9.2			9.9			10.5			10.3		
Other state		34.2			32.8			33.5			33.4		
Foreign country		6.6			6.2			7.0			6.5		
Means of Travel													
Automobile		32.5			31.5			31.3			30.4		
Airplane		17.1			15.5			17.1			17.9		
Other		4.3			3.6			4.1			3.6		

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request.

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.